



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Award of Contract for Disposal of Hazardous Waste

MEETING DATE: May 6, 1992

PREPARED BY: City Manager

RECOMMENDED ACTION: That the City Council award the contract for disposal of hazardous waste located at the Municipal Service Center (MSC) to USPCI.

BACKGROUND INFORMATION: The City received two bid proposals for the analysis, packaging, transportation, and disposal of hazardous waste located at the MSC corporation yard. Although USPCI was the higher bidder at \$12,880, City staff is recommending that Falcon Energy Associates, the low bidder at \$7,895, not be selected to complete this job due to exceptions as stated in their bid proposal.

Falcon Energy Associates' bid states that they would retain the right to either incinerate or otherwise recycle the waste into an alternative fuels program should they be awarded the contract. The Request for Bids specifically stated that the hazardous waste must be incinerated as the only means of disposal. City staff, realizing that the hazardous waste has accumulated over time, and acknowledging that the materials are actually "unknown substances" at this time, are highly recommending that the City absolve itself of any future liability by totally destructing and disposing of said hazardous waste. USPCI, in its bid, has agreed to dispose of the hazardous waste by incineration.

Additionally, USPCI has agreed to provide the City with the Certificate of Disposal within nine months from the date the materials are transported from the City of Lodi at which time the City will pay the remainder of the bill due to USPCI. Falcon Energy Associates took exception to the City's payment procedures of retaining 10% until completion of the project. Falcon Energy Associates' bid states that all funds are net 30 days from pickup and that they have no control over the treatment, storage, and disposal facility relative to issuance of Certificates. City staff contend that payment for services should not be rendered until completion of the job, thus encouraging the vendor to follow through on the final disposal of the material.

APPROVED _____

THOMAS A. PETERSON
City Manager



recycled paper

AGENDA TITLE: Award of Contract for Disposal of Hazardous Waste
MEETING DATE: May 6, 1992
PAGE TWO

As a final note, Falcon Energy Associates' bid of 57.895 does not include the price of sales or use taxes, or similar taxes now imposed by Federal, State or other governmental agencies. USPCI's bid proposal of \$12,880 does include the costs for these additional fees as required in the Request for Bids.

FUNDING: Contingency Fund

Respectfully submitted,



Thomas A. Peterson
City Manager

Prepared by Janet S. Keeter
Administrative Assistant to the City Manager

TAP:br

Attachments



17 APRIL, 1992

MR. JOEL E. HARRIS
PURCHASING OFFICER
CITY OF LODI
P.O. Box 3006
LODI, CALIFORNIA 95241-1910

DEAR MR. HARRIS,

IN RE: YOUR LETTER OF 16 APRIL, 1992 REGARDING CITY OF LODI BID PROPOSAL # 1336

WE VERY MUCH APPRECIATE YOUR CONSIDERATION OF FALCON ENERGY REGARDING THE CITY OF LODI BID PROPOSAL # 1336 ENTITLED "DISPOSAL OF HAZARDOUS WASTE". WE ARE UNSURE OF WHICH OF OUR EXCEPTIONS YOUR STAFF FELT DID NOT MEET THE REQUIREMENTS OF YOUR BID PROCESS AS YOU INDICATED ONLY A GENERAL OBJECTION IN YOUR LETTER. I WOULD ALSO LIKE TO BRING TO YOUR ATTENTION THAT OUR BID WAS, IN FACT, SUBMITTED ON THE PROPOSAL FORM PROVIDED BY THE CITY. OUR PROPOSAL # 1336, EXCEPTIONS AND ADDED CONCERNS WERE INCORPORATED BY REFERENCE AS WAS STATED IN THE BID PACKAGE SUBMITTAL. ACCORDING TO YOUR BID PACKAGE, EXCEPTIONS WERE AN ALLOWABLE PART OF THE BID PROCESS.

DISPOSAL OF HAZARDOUS WASTE IS A COMPLICATED PROCESS WITH SUBSTANTIAL LIABILITY ATTACHED THERETO. WE FIND FREQUENTLY THAT HAZARDOUS WASTE BID PACKAGES DO NOT ADDRESS ISSUES THAT ARE LEGALLY A NECESSITY AND REQUIRED BY STATUTES,

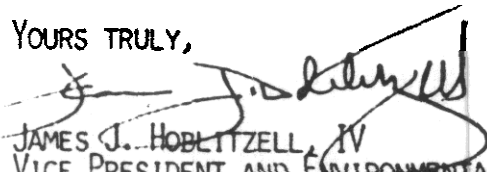
AS AN EXAMPLE, YOUR BID PACKAGE IS OFFERING A HAZARDOUS WASTE STREAM FOR DISPOSAL AND ALL YOUR WASTE STREAMS ARE UNKNOWN. PROPER AND LEGAL STEPS MUST BE TAKEN TO IDENTIFY YOUR MATERIAL PRIOR TO OFFERING IT FOR DISPOSAL. WE WOULD BE AMENABLE TO A MEETING WHEREIN YOUR SPECIFIC OBJECTIONS COULD BE MADE AND WE COULD POSSIBLY RESOLVE YOUR OBJECTIONS TO THE CITY OF LODI'S SATISFACTION. AS WE ARE THE LOW BIDDER, IT WOULD SEEM TO BE IN THE BEST INTERESTS OF THE CITY TO EFFECTUATE SUCH AN AGREEMENT OR AN EFFORT TO DO SO. IF THIS IS NOT POSSIBLE PURSUANT TO YOUR BID PROCESS, WE DO INTEND TO APPEAL THIS RECOMMENDATION TO THE LODI CITY COUNCIL AT THE MEETING SCHEDULED FOR MAY 5, 1992. WE ARE FORWARDING A COPY OF THIS LETTER TO THE CITY CLERK'S OFFICE AS A MEANS OF



PAGE TWO - MR. HARRIS

INDICATING OUR INTENT TO SO APPEAR. AGAIN, WE DO APPRECIATE YOUR CONSIDERATION AND HOPE WE MAY CONTINUE TO BID ON THE CITY OF LODI'S WORK IN THE ENVIRONMENTAL SERVICES AREA.

YOURS TRULY,


JAMES J. HOBLITZELL, IV
VICE PRESIDENT AND ENVIRONMENTAL MANAGER
REGISTERED ENVIRONMENTAL ASSESSOR, REA-03121

JJH/NB

CC:

CITY MANAGER

CITY ATTORNEY

CITY CLERK

MR. ROBERT S. GOLDENHERSH, ESQ.

CITY COUNCIL

JAMES W. PINKERTON, Mayor

PHILLIP A. PENNINO

Mayor Pro Tempore

DAVID M. HINCHMAN

JACK A. SIEGLOCK

JOHN R. (Randy) SNIDER

CITY OF LODI

CITY HALL, 221 WEST PINE STREET

P.O. BOX 3006

LODI, CALIFORNIA 95241-1910

(209) 334-5634

FAX (209) 333-6795

THOMAS A. PETERSON
City Manager

ALICE M. REIMCHE
City Clerk

BOB McNATT
City Attorney

April 16, 1992

Mr. James Hoblitzell
Falcon Energy
P.O. Box 1257
Stockton, CA 95201

Dear Mr. Hoblitzell:

Thank you for submitting your bid proposal #1336 for the removal, transportation and disposal of waste located at the City's Municipal Service Center.

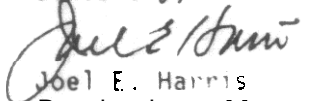
After evaluating the bids, staff have determined that your proposal, with the exceptions, does not meet the City's requirements. Staff is therefore making the recommendation that the City Council award the bid the second-lowest bidder, USPCI.

As the apparent low bidder, you have the right to appeal this recommendation, and may do so at the City Council meeting scheduled for 7:30 p.m., Wednesday, May 6, 1992, in the Carnegie Forum, 305 West Pine Street, Lodi. If you plan to address the City Council in support of your bid please notify the City Clerk's office at (209) 333-6702 prior to May 1, 1992.

I would also like to emphasize the importance of submitting your bid only on the proposal form provided by the City. Terms and conditions which appear on bidders' quotation forms and which are in conflict with the City's bid terms and conditions are considered in the evaluation process, and may be regarded as exceptions which are unacceptable to the City.

Thank you for your bid, and for your interest in doing business with the City of Lodi.

Sincerely,


Joel E. Harris
Purchasing Officer
City of Lodi

cc: City Manager
City Attorney
City Clerk

RESOLUTION NO. 92-85

A RESOLUTION OF THE LODI CITY COUNCIL
AWARDING THE CONTRACT FOR THE DISPOSAL OF HAZARDOUS WASTE
LOCATED AT THE MUNICIPAL SERVICE CENTER

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on April 2, 1992 at 11:00 am. for the contract for disposal of hazardous waste located at the Municipal Service Center, described in the specifications therefor approved by the City Council on March 18, 1992; and

WHEREAS, said bids have been compared, checked, and tabulated and a report thereof filed with the City Manager as follows:

*Falcon Energy Associates	\$ 7,895.00
USPCI	512,880.00

*Did not meet bid specification/bid exceptions.

WHEREAS, the City Manager recommends that award of the contract for disposal of hazardous waste, be made to the second lowest bidder USPCI;

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that award of contract for the disposal of hazardous waste at the Municipal Service Center be and the same is hereby awarded to USPCI, the second lowest bidder, in the amount of \$12,880.00.

Dated: May 6, 1992

I hereby certify that Resolution No. 92-85 was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 6, 1992 by the following vote:

Ayes: Council Members -
Noes: Council Members -
Absent: Council Members -

Alice M. Reimche
City Clerk

92-85

CITY COUNCIL

JAMES W. PINKERTON, Mayor
PHILLIP A. PENNINO
Mayor Pro Tempore
DAVID M. HINCHMAN
JACK A. SIEGLOCK
JOHN R. (Randy) SNIDER

CITY OF LODI

CITY HALL, 221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 314-5634
FAX (209) 333-6795

THOMAS A. PETERSON
City Manager
ALICE M. REIMCHE
City Clerk
BOB McNATT
City Attorney

April 16, 1992

Mr. James Hoblitzell
Falcon Energy
P.O. Box 1257
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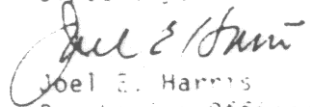
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I would also like to emphasize the importance of submitting your bid only on the proposal form provided by the City. Terms and conditions which appear on bidders' quotation forms and which are in conflict with the City's bid terms and conditions are considered in the evaluation process, and may be regarded as exceptions which are unacceptable to the City.

Thank you for your bid, and for your interest in doing business with the City of Lodi.

Sincerely,


Joel E. Harris
Purchasing Officer
City of Lodi

cc: City Manager
City Attorney
City Clerk

CITY OF LODI
SPECIAL ALLOCATION REQUEST

TO: Finance Director

DATE: May 7, 1992

FROM: City Clerk

PROJECT NUMEER:

Request is made for funds to accomplish the following project which was not included in the current budget:

<u>Description of Project</u>	<u>Estimated Cost</u>
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Contract for disposal of hazardous waste located at the Municipal Service Center awarded to USPCI in the amount of \$12,880.00. (See Resolution No. 92-85)

Funding - Contingency Fund - \$12,880.00

(If you need more space, use additional sheet and attach to this form)

Date of Approval - May 6, 1992

Amount Approved - Not to exceed \$12,880

Council _____ XXXXX

City Manager _____

FUND OR ACCOUNT TO BE CHARGED

Current Budget \$ _____ Prior Year Reserve 5 _____

Contingent Fund \$ _____ General Fund Surplus \$ _____

Capital Outlay Reserve \$ _____ Gas Tax Fund \$ _____

Utility Outlay Reserve \$ _____ Other (Election) \$ _____

Hotel/Motel Tax Reserve - \$ _____

General Fund Operating Reserve \$ _____

Finance Director

Alice M. Reimche

Alice M. Reimche
City Clerk

Submit this form in duplicate to the Finance Director. Distribution after approval will be as follows: 1) Originating Department 2) Finance Department

RESOLUTION NO. 92-85

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AWARDING THE CONTRACT FOR THE DISPOSAL OF HAZARDOUS WASTE
LOCATED AT THE MUNICIPAL SERVICE CENTER

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Dated: May 6, 1992

I hereby certify that Resolution No. 92-85 was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 6, 1992 by the following vote:

Ayes: Council Members - Sieglock, Snider and Pinkerton (Mayor)

Noes: Council Members - Pennino

Absent: Council Members - Hinchman


Alice M. Reimche
City Clerk

92-85

CC-12(a)
CC-300

City Council Meeting
May 6, 1992

#131
5/6/92 H/a

CITY OF LODI
SPECIAL ALLOCATION REQUEST

TO: Finance Director

DATE: May 7, 1992

FROM: City Clerk

PROJECT NUMBER: 11.0-020.02-699

Request is made for funds to accomplish the following project which was not included in the current budget:

Description of Project Estimated Cost

Contract for disposal of hazardous waste located at the Municipal Service Center awarded to USPCI in the amount of \$12,880.00. (See Resolution No. 92-85)

Funding - Contingency Fund - \$12,880.00

(If you need more space, use additional sheet and attach to this form)

Date of Approval - May 6, 1992

Amount Approved - Not to exceed \$12,880

Council

XXXXX

City Manager

FUND OR ACCOUNT TO BE CHARGED

Current Budget \$ _____ Prior Year Reserve \$ _____


Contingent Fund \$ 12,880 General Fund Surplus \$ _____

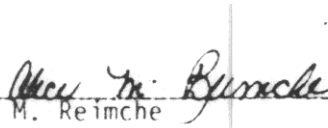
Capital Outlay Reserve \$ _____ Gas Tax Fund \$ _____

Utility Outlay Reserve \$ _____ Other (Election) \$ _____

Hotel/Motel Tax Reserve - \$ _____

General Fund Operating Reserve \$ _____


Dixon Flynn,
Finance Director


Alice M. Reimche
City Clerk

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